



House Appropriations Committee  
May 5, 2010

## **Statement of Opposition to House Bill 5999**

The Michigan Retailers Association opposes HB 5999 as currently written. The sponsor of the bill has been very open to discussion on this bill, which MRA appreciates. However, by not allowing retailers with a current physical structure to sell aerial or consumer-grade fireworks from temporary structures on their properties, the bill, in effect, would enable a few operators to corner the Michigan market.

Throughout the discussions on the merits of this bill, it has been said that the sponsor's intent was to model this bill after laws in other states that allow retailers to sell consumer fireworks, most notably Indiana. Indiana's law, however, *does* allow brick-and-mortar, "big-box" retailers to sell consumer fireworks from tents on their property. By not allowing this in Michigan, HB 5999 would effectively prevent longstanding retailers from competing in the fireworks business in Michigan. This lack of competition would distort the marketplace and hurt retail businesses and consumers alike.

The bill currently states that a retailer could sell fireworks from its facility if it complies with federal standards. This is hailed as allowing us to compete. However, the cost of retrofitting an existing retail store to comply is in the hundreds of thousands of dollars, making it too costly for existing retailers to make the investment. In addition, the purchase of low-grade or novelty fireworks now sold in retail locations would likely dry up as consumers shifted their purchases to a location where they could buy consumer fireworks.

In essence, this bill does not allow the traditional retail business that has been the bedrock of the local community — through its taxes, payroll and charitable activities — to compete in this arena. Further, the various charitable organizations that have relied on sales of fireworks from tents on a retailer's property would no longer meet their fundraising goals, as most consumers would bypass that opportunity to make their purchases at a facility meeting their overall fireworks needs.

For these and numerous other reasons, we ask the committee to reject HB 5999 if brick-and-mortar retailers are not allowed to sell consumer fireworks from tents.

Respectfully,

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